



Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

Sept. 21, 2006

Weekly Highlights

Contents

Article/ Calendar

Grain Transportation Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Quarterly Updates

Specialists

Subscription Information

The next
release is
Sept. 28, '06

Secondary Rail Car Market Plunges

In the last two weeks, secondary rail car market bids have dropped significantly, returning to more normal levels. October bids have dropped from a range of \$400 to \$700 to a range of \$50 to \$450, while November bids dropped from a range of \$275 to \$303 to a range of -\$75 to \$225. Concerns that another major hurricane would hit the Gulf Coast this fall and that rail capacity would remain tight had contributed to abnormally high **secondary rail car bids** for late summer and fall delivery. These concerns have been alleviated somewhat because this year's hurricane predictions have been downgraded, shippers expect a soft landing for the economy, and rail capacity has increased.

Grain Inspections Mixed

For the week of September 14, wheat and soybean inspections at all ports increased 82 percent and 18 percent, from the previous week, while corn inspections fell 6 percent. Compared to the previous week, **total grain** inspections declined 22 percent in the PNW, rose by 259 percent in the Texas Gulf (due to a rebound in wheat and soybean inspections), and increased nearly 18 percent in the Mississippi Gulf.

Corn and Soybean Export Sales Commitments at Record Levels

Corn **export sales commitments** in the first week of the 2006/07 marketing year were 12.6 million metric tons (mmt)—50 percent above the same period last year and 22 percent of the projected total year corn exports. Soybean export commitments were 7.2 mmt—58 percent above last year and 24 percent of the projected total year exports.

Grain Truck Resources Squeezed During Second Quarter

During the second quarter, grain shippers saw a tightening in trucking resources. Carriers and operators reported that truck availability declined while truck activity increased. **Truck availability** may have been negatively impacted by mounting diesel fuel costs, which forced a number of truck operators out of the market.

Temporary Relief from Delays Seen at L&D 52

Because of a surge in water levels, the dam at the Ohio River's Locks and Dam 52 (L&D 52) was dropped for a few days. Barge traffic was able to pass over the dam without the time-consuming use of locks. This was good news because shippers waited up to 85 hours last week to use the lock. By September 20, however, there was not enough water to maintain adequate flows for navigation over the dam; barges needed to wait to use the locks again.

Snapshot by Sector

Barge

During the week of September 20, rain raised river levels to the 2.2 to 3.8 foot range at the St. Louis gage—a significant change from the week before when levels dipped into the negative range.

Fuel

The **diesel fuel price** for the week ending September 18 was \$2.71 per gallon—5 percent lower than the previous week and 1 percent lower than the same week last year.

Ocean

For the week ending September 14, 46 **grain vessels** were loaded. Over the next 10 days, 63 vessels are due in—14.5% higher than the previous week.

Feature Article/Calendar

Cost of Transporting Grain from the U.S. to Mexico Increases. With the exception of Kansas wheat transported by water route, the cost of transporting grain from the United States increased for both water and land routes during the 2nd quarter. Total transportation cost of Illinois corn and soybeans increased 5 percent from the 2nd quarter. While truck and barge rates fell compared to the previous quarter, the decrease was more than offset by increases in rail and ocean rates. Rail and ocean rates increased by 12 and 21 percent, respectively, during the 2nd quarter. The increase in the ocean rates was partly due to higher fuel costs and port congestion in the Pacific. Total cost of transporting corn and soybeans by the water route increased 5 percent compared to the 1st quarter; the cost of transporting wheat by the water route decreased nearly 3 percent.

Quarterly costs of transporting U.S. Grain to Guadalajara, Mexico						
	Water route			Land route		
	\$/metric ton			\$/metric ton		
	2006 1 st qtr.	2006 2 nd qtr.	Percent change	2006 1 st qtr.	2006 2 nd qtr.	Percent change
Corn						
Origin	IL			IA/NE		
Truck	9.42	9.18	-2.5	3.61	4.58	26.9
Rail ¹	27.64	31.08	12.4	59.01	59.01	0.0
Ocean ²	7.45	8.98	20.5			
Barge	19.73	18.12	-8.2			
Total transportation	64.24	67.36	4.9	62.62	63.59	1.5
Farm Value	82.15	88.45	7.7	76.44	81.16	6.2
Landed Cost	146.39	155.81	6.4	139.06	144.75	4.1
Transport % of landed cost	44%	43%		45%	44%	
Soybeans						
Origin	IL			MN/NE		
Truck	9.42	9.18	-2.5	3.61	4.58	26.9
Rail ¹	27.64	31.08	12.4	59.52	59.52	0.0
Ocean ²	7.45	8.98	20.5			
Barge	19.73	18.12	-8.2			
Total	64.24	67.36	4.9	63.13	64.10	1.5
Farm Value	213.36	211.28	-1.0	201.54	198.42	-1.5
Landed Cost	277.60	278.64	0.4	264.67	262.52	-0.8
Transport % of landed cost	23%	24%		24%	24%	
Wheat						
Origin	KS			OK		
Truck	18.47	14.99	-18.8	3.86	5.01	29.8
Rail ¹	27.64	31.08	12.4	46.07	47.17	2.4
Ocean ²	7.45	8.98	20.5			
Barge	15.60	12.27	-21.3			
Total	69.16	67.32	-2.7	49.93	52.18	4.5
Farm Value	140.48	156.16	11.2	142.20	161.67	13.7
Landed Cost	209.64	223.48	6.6	192.13	213.85	11.3
Transport % of landed cost	33%	30%		26%	24%	

¹ Rail rates include U.S. and Mexico portions of the movement. Mexico rail rates are revised based on actual quoted market rates. BNSF and Union Pacific quoted rail tariff rates are through rates for shuttle trains.

² Estimates based on the data obtained from the Baltic Exchange

The costs of transporting corn and soybeans by land increased about 2 percent while the cost of transporting wheat increased about 5 percent during the 2nd quarter. The increase in the cost of transporting over land routes was mainly due to a 27-percent increase in trucking rates caused by higher fuel costs and increased demand for trucks in the North Central region (Iowa, Nebraska, Minnesota). Although there was less demand for trucks in the South Central region, the trucking rates for shipping Oklahoma wheat by land increased 30 percent due primarily to increase in fuel cost.

The costs for transporting by water

were 43, 24, and 30 percent of the landed cost for corn, soybeans, and wheat. For the land routes, the costs represent 44 percent for corn, and 24 percent for both soybeans and wheat.

Cross-Border Deliveries to Mexico Decrease. As of September 6, 30,808 carloads had crossed the border to Mexico this year, 27 percent lower than the same period a year ago.

Surajudeen.Olowolayemo@usda.gov, Marvin.Prater@usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

	Truck	Rail ²	Barge	Ocean	
Week ending				Gulf	Pacific
09/20/06	182	308	300	230	280
09/13/06	192	433	286	226	259

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

²The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads (\$/bushel)

Commodity	Origin--Destination	9/15/2006	9/8/2006
Corn	IL--Gulf	-0.86	-0.83
Corn	NE--Gulf	-0.94	-0.90
Soybean	IA--Gulf	-1.30	-1.23
HRW	KS--Gulf	-1.13	-1.15
HRS	ND--Portland	-1.31	-1.30

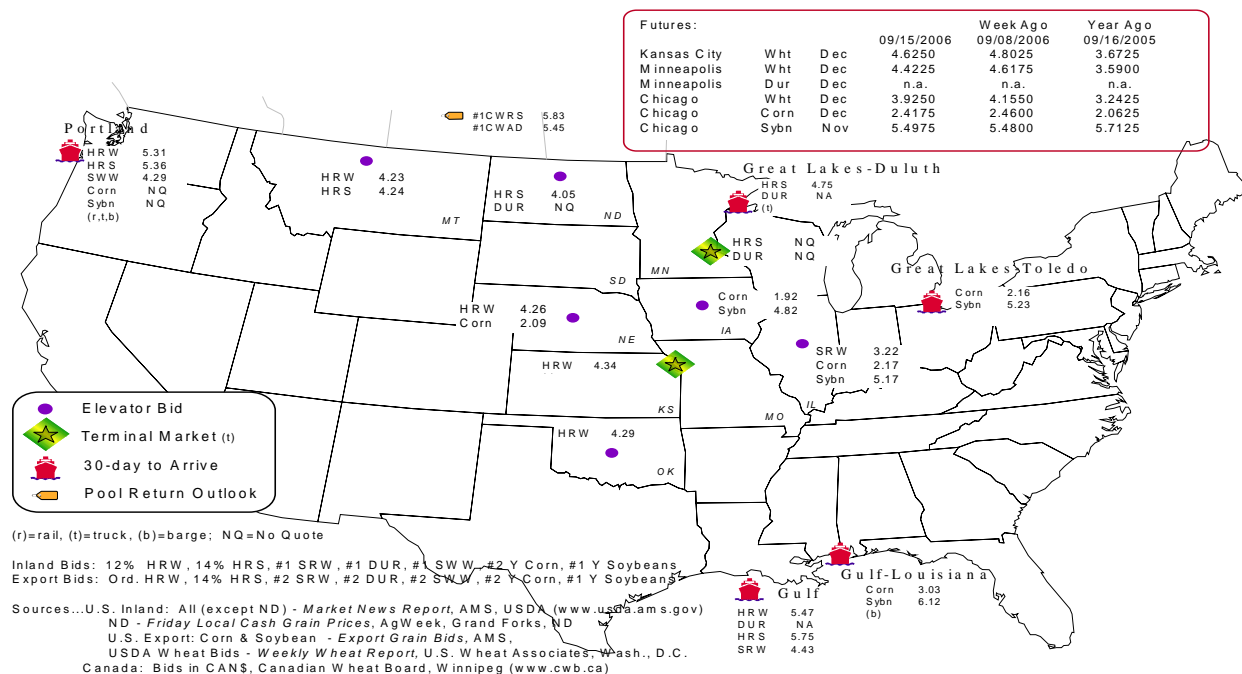
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)¹

Week ending	Mississippi	Cross-Border		Pacific	Atlantic &	Total
	Gulf ²	Texas Gulf	Mexico	Northwest	East Gulf	
9/13/2006 ^p	2,703	1,725	732	3,391	832	9,383
9/06/2006 ^r	1,512	1,740	1,300	3,784	487	8,823
2006 YTD	60,178	73,296	31,541	149,243	17,231	331,489
2005 YTD	29,359	67,126	43,170	154,444	8,295	302,394
2006 YTD as % of 2005 YTD	205	109	73	97	208	110
Last 4 weeks as % of 2005 ³	900	74	137	92	706	124
Last 4 weeks as % of 4-year avg. ³	n/a	87	122	134	1,037	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

¹ Data is incomplete as it is voluntarily provided; ² Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; ³ Compared with same 4-weeks in 2005 and prior 4-year average; ⁴ Includes 53rd week.

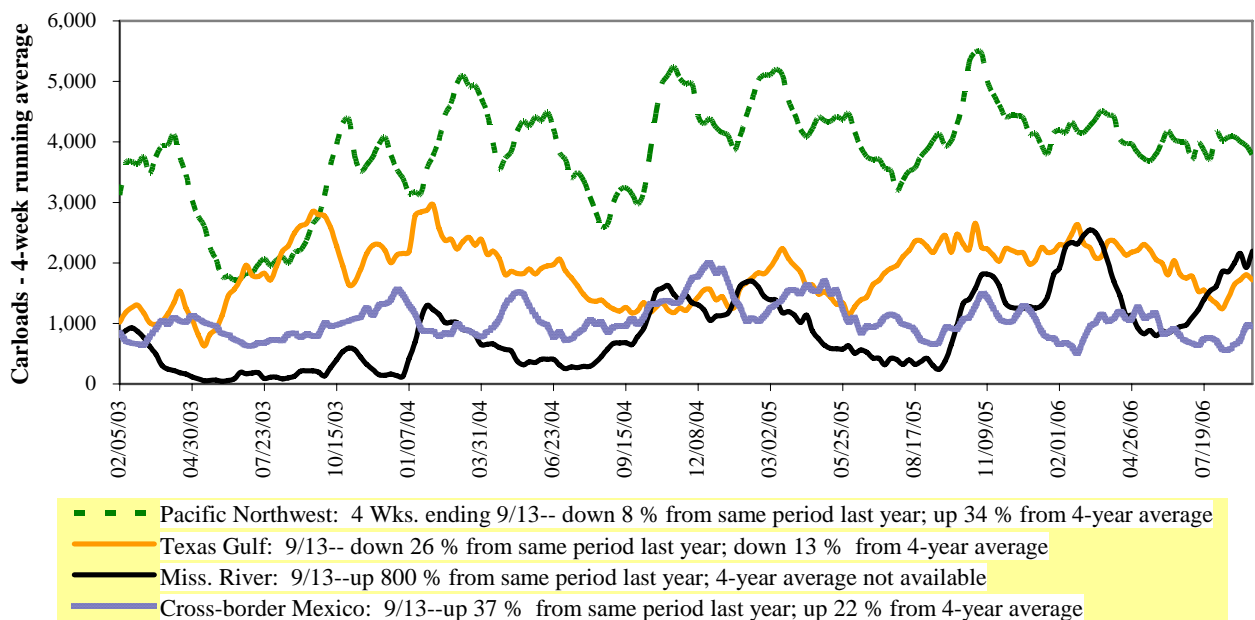
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

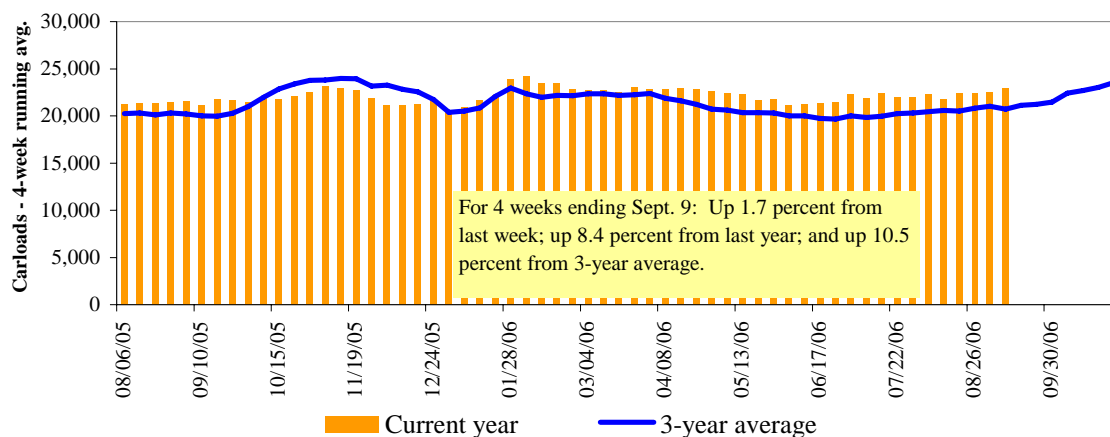
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
09/09/06	2,976	2,953	10,060	653	6,212	22,854	5,070	4,483
This week last year	2,104	2,397	9,446	479	5,162	19,588	3,450	3,560
2006 YTD	111,396	116,305	352,193	20,536	210,349	810,779	172,227	156,629
2005 YTD	104,018	116,114	325,710	20,656	215,985	782,483	147,443	143,900
2006 YTD as % of 2005 YTD	107	100	108	99	97	104	117	109
Last 4 weeks as % of 2005 ¹	126	111	115	115	89	108	129	111
Last 4 weeks as % of 3-yr avg. ¹	138	109	118	105	90	111	128	109
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

¹As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings

Source: Association of American Railroads

Table 5

Rail Car Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF ³								
COT grain units	no offer	n/a	no offer	n/a	no offer	527	no offer	523
COT grain single-car ⁵	no offer	n/a	no offer	n/a	no offer	n/a	no offer	n/a
UP ⁴								
GCAS/Region 1	no offer	n/a	no offer	n/a	no offer	407	no offer	no offer
GCAS/Region 2	no offer	n/a	no offer	n/a	no offer	574	no offer	no offer

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

⁵Range is shown because average is not available. Not available = n/a.

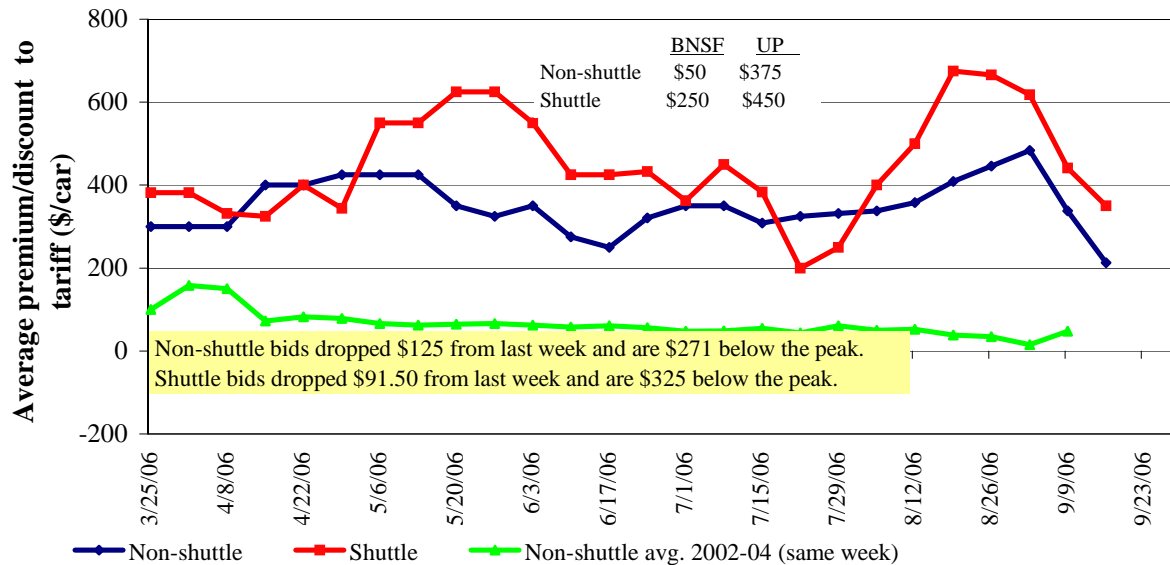
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market



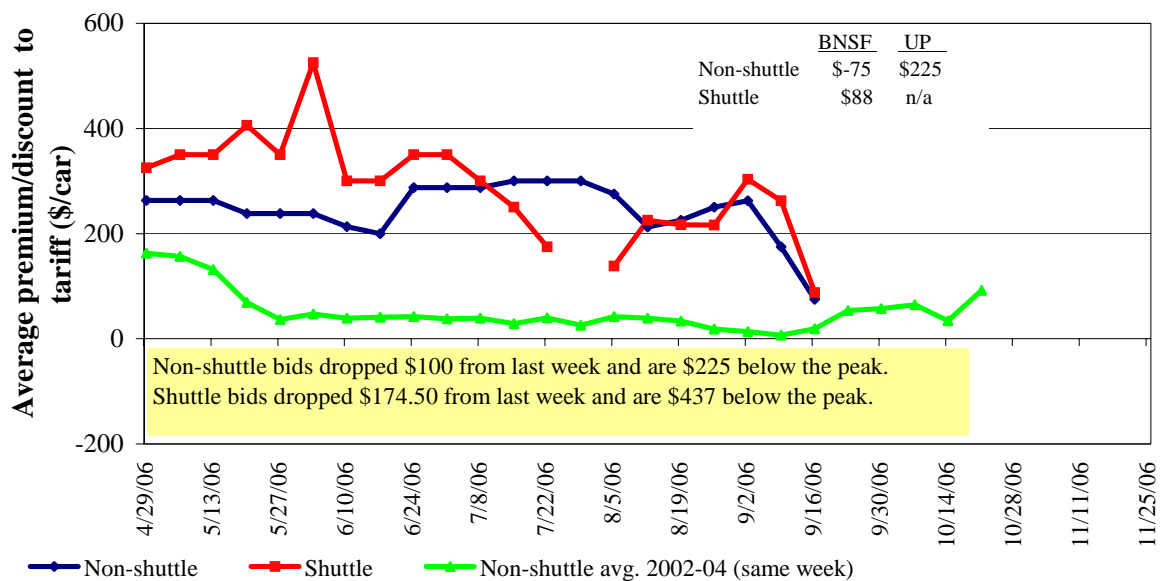
Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in November 2006, Secondary Market

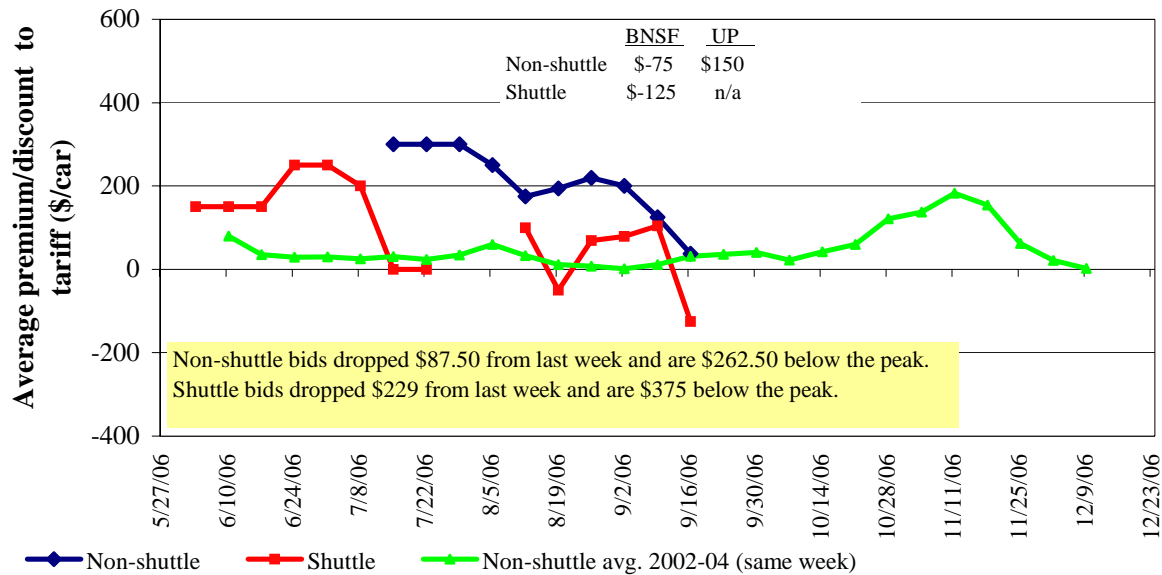


Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in December 2006, Secondary Market

Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market (\$/car)¹

Week ending	Delivery period					
	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
Non-shuttle						
BNSF-GF	50	-75	-75	n/a	n/a	n/a
Change from last week	-125	-175	-125	n/a	n/a	n/a
Change from same week 2005	-863	-750	-725	n/a	n/a	n/a
UP-Pool	375	225	150	n/a	n/a	n/a
Change from last week	-125	-25	-50	n/a	n/a	n/a
Change from same week 2005	-538	-450	-433	n/a	n/a	n/a
Shuttle²						
BNSF-GF	250	88	-125	n/a	n/a	n/a
Change from last week	-100	-37	-158	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	450	n/a	n/a	n/a	n/a	n/a
Change from last week	-83	n/a	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

¹Average premium/discount to tariff, \$/car-last week

²Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:				As % of same	Rate per	Rate per
9/4/2006		Origin region	Destination region	month last year	metric ton	bushel²
<u>Unit train¹</u>						
Wheat	Chicago, IL	Albany, NY	\$2,175	117	\$23.97	\$0.65
	Kansas City, MO	Galveston, TX	\$2,120	105	\$23.37	\$0.64
	South Central, KS	Galveston, TX	\$2,550	104	\$28.11	\$0.77
	Minneapolis, MN	Houston, TX	\$3,020	125	\$33.29	\$0.91
	St. Louis, MO	Houston, TX	\$2,460	104	\$27.12	\$0.74
	South Central, ND	Houston, TX	\$4,449	113	\$49.04	\$1.33
	Minneapolis, MN	Portland, OR	\$3,840	91	\$42.33	\$1.15
	South Central, ND	Portland, OR	\$3,840	93	\$42.33	\$1.15
	Northwest, KS	Portland, OR	\$4,490	100	\$49.49	\$1.35
	Chicago, IL	Richmond, VA	\$2,161	108	\$23.82	\$0.65
Corn	Chicago, IL	Baton Rouge, LA	\$2,610	104	\$28.77	\$0.78
	Council Bluffs, IA	Baton Rouge, LA	\$2,470	104	\$27.23	\$0.74
	Kansas City, MO	Dalhart, TX	\$2,365	120	\$26.07	\$0.71
	Minneapolis, MN	Portland, OR	\$3,250	87	\$35.82	\$0.98
	Evansville, IN	Raleigh, NC	\$1,961	109	\$21.62	\$0.59
	Columbus, OH	Raleigh, NC	\$1,850	109	\$20.39	\$0.56
	Council, Bluffs, IA	Stockton, CA	\$3,606	100	\$39.75	\$1.08
Soybeans	Chicago, IL	Baton Rouge, LA	\$2,655	108	\$29.27	\$0.80
	Council Bluffs, IA	Baton Rouge, LA	\$2,515	109	\$27.72	\$0.75
	Minneapolis, MN	Portland, OR	\$3,610	100	\$39.79	\$1.08
	Evansville, IN	Raleigh, NC	\$1,961	109	\$21.62	\$0.59
	Chicago, IL	Raleigh, NC	\$2,561	107	\$28.23	\$0.77
<u>Shuttle Train</u>						
Wheat	St. Louis, MO	Houston, TX	\$1,920	105	\$21.16	\$0.58
	Minneapolis, MN	Portland, OR	\$3,540	91	\$39.02	\$1.06
Corn	Fremont, NE	Houston, TX	\$2,268	98	\$25.00	\$0.68
	Minneapolis, MN	Portland, OR	\$3,096	102	\$34.13	\$0.93
Soybeans	Council Bluffs, IA	Houston, TX	\$2,412	87	\$26.59	\$0.72
	Minneapolis, MN	Portland, OR	\$3,170	93	\$34.94	\$0.95

¹A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

²Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date: 09/04/06				As % of			
Commodity	Origin state	Border crossing region	Train size ¹	Tariff rate ²	same month last year	Rate per metric ton	Rate per bushel ³
Wheat	KS	Brownsville, TX	Shuttle	\$2,959	104	\$30.23	\$0.82
	ND	Eagle Pass, TX	Unit	\$4,474	83	\$45.71	\$1.24
	OK	El Paso, TX	Shuttle	\$2,235	99	\$22.84	\$0.62
	OK	El Paso, TX	Unit	\$2,540	104	\$25.95	\$0.71
	AR	Laredo, TX	Unit	\$2,600	109	\$26.57	\$0.72
	IL	Laredo, TX	Unit	\$3,405	107	\$34.79	\$0.95
	MT	Laredo, TX	Shuttle	\$3,980	93	\$40.67	\$1.11
	TX	Laredo, TX	Shuttle	\$2,274	105	\$23.23	\$0.63
	MO	Laredo, TX	Shuttle	\$2,840	104	\$29.02	\$0.79
	WI	Laredo, TX	Unit	\$3,623	106	\$37.02	\$1.01
Corn	NE	Brownsville, TX	Shuttle	\$3,543	114	\$36.20	\$0.92
	NE	Brownsville, TX	Unit	\$3,623 ^{1,4}	99	\$37.02	\$0.94
	IA	Eagle Pass, TX	Unit	\$3,773	113	\$38.55	\$0.98
	MO	Eagle Pass, TX	Shuttle	\$3,364 ^{1,4}	111	\$34.37	\$0.87
	NE	Eagle Pass, TX	Shuttle	\$3,764 ^{1,4}	109	\$38.46	\$0.98
	IA	Laredo, TX	Shuttle	\$3,696	113	\$37.76	\$0.96
Soybean	IA	Brownsville, TX	Shuttle	\$3,318	115	\$33.90	\$0.92
	MN	Brownsville, TX	Shuttle	\$3,614	114	\$36.93	\$1.00
	NE	Brownsville, TX	Shuttle	\$3,127	116	\$31.95	\$0.87
	NE	Eagle Pass, TX	Shuttle	\$3,203	116	\$32.73	\$0.89
	IA	Laredo, TX	Unit	\$3,357	115	\$34.30	\$0.93

¹A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

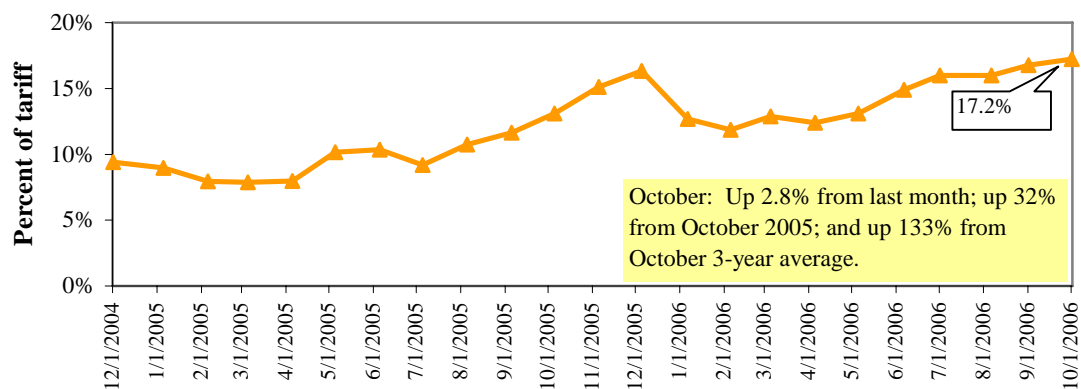
²Rates are based upon published tariff rates for high-capacity rail cars.

³Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

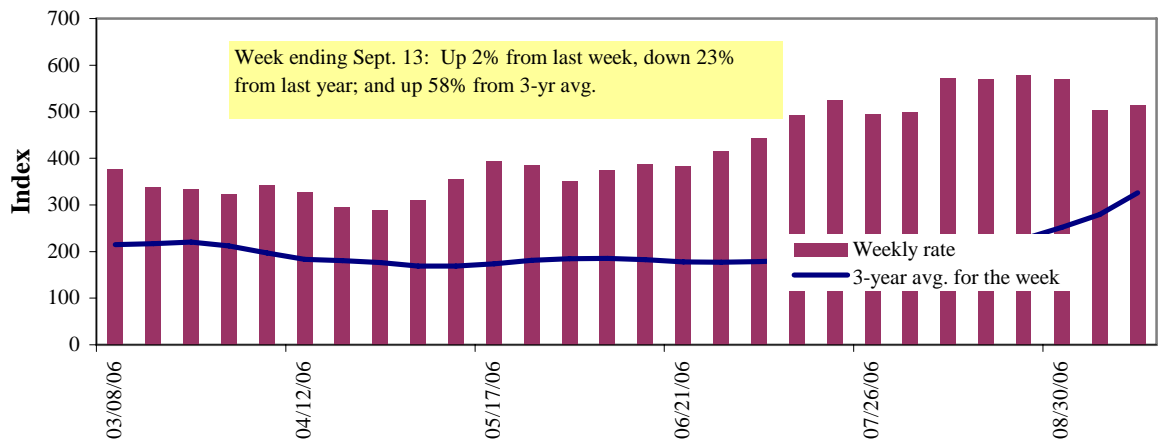
¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes^{1,2}



¹ Index = percent of tariff rate; ² 4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid- Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Index¹	9/13/2006	565	561	514	495	575	575	466
	9/6/2006	538	525	504	483	523	526	426
\$/ton	9/13/2006	34.97	29.85	23.85	19.75	26.97	23.23	14.63
	9/6/2006	33.30	27.93	23.39	19.27	24.53	21.25	13.38
Current week % change from the same week:								
	Last year	3	-13	-23	-30	-16	-18	-39
	3-year avg. ²	76	72	58	40	72	70	30
Index	October	622	611	609	587	637	637	554
	December	n/a	n/a	458	425	437	437	398

¹ Index = percent of tariff, based on 1976 tariff benchmark rate; ² 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

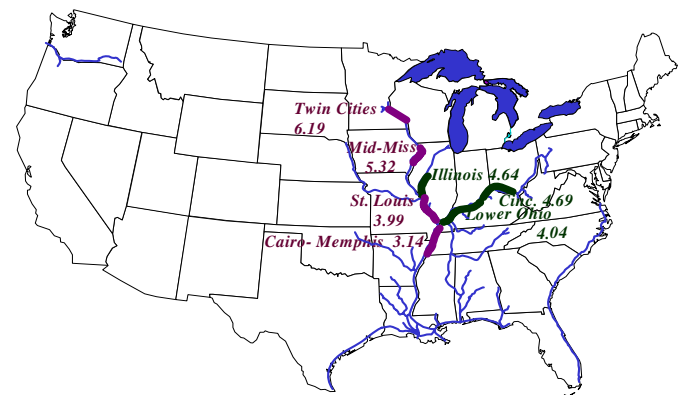
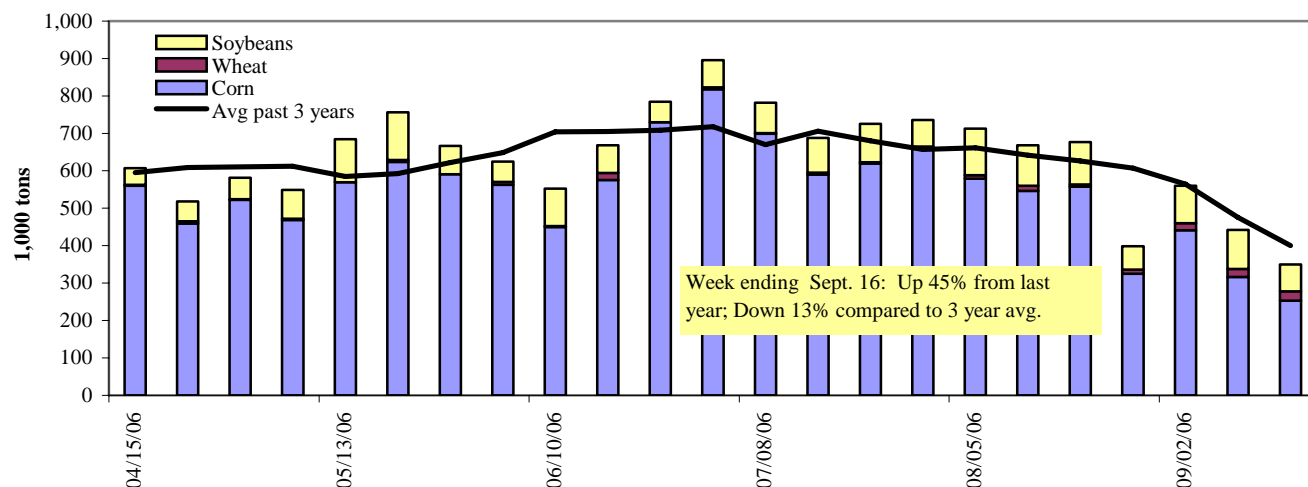


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)

¹ The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 9/16/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	157	3	14	0	174
Winfield, MO (L25)	208	13	48	0	268
Alton, IL (L26)	272	26	89	0	387
Granite City, IL (L27)	253	25	72	3	353
Illinois River (L8)	65	2	23	0	90
Ohio River (L52)	68	33	38	0	138
Arkansas River (L1)	1	25	4	7	38
Weekly total - 2006	322	84	114	10	530
Weekly total - 2005	216	65	30	15	326
2006 YTD ¹	19,138	1,090	4,545	504	25,277
2005 YTD	17,194	1,341	4,721	508	23,764
2006 as % of 2005 YTD	111	81	96	99	106
Last 4 weeks as % of 2005 ²	88	104	181	87	100
Total 2005	23,761	1,620	7,276	731	33,388

¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

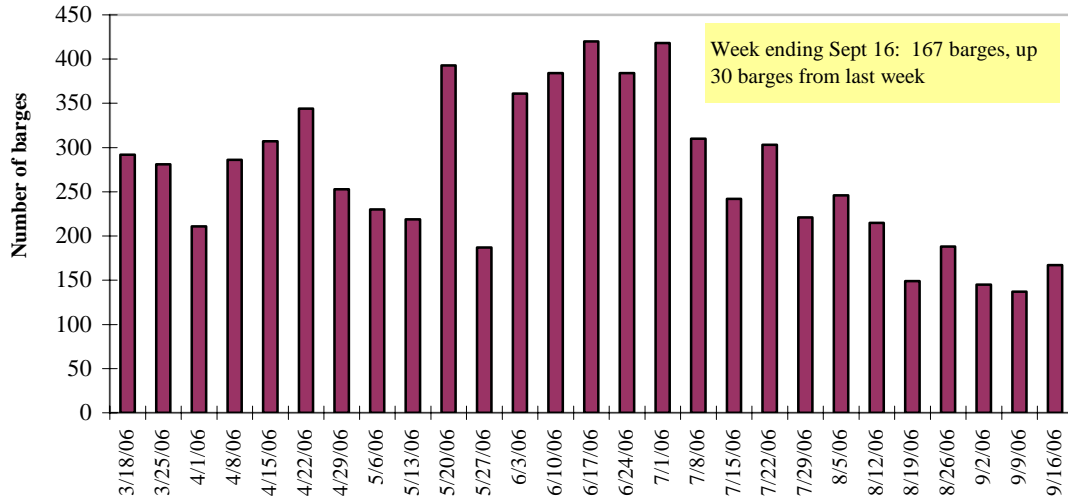
² As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webprts/default.asp)

Figure 11

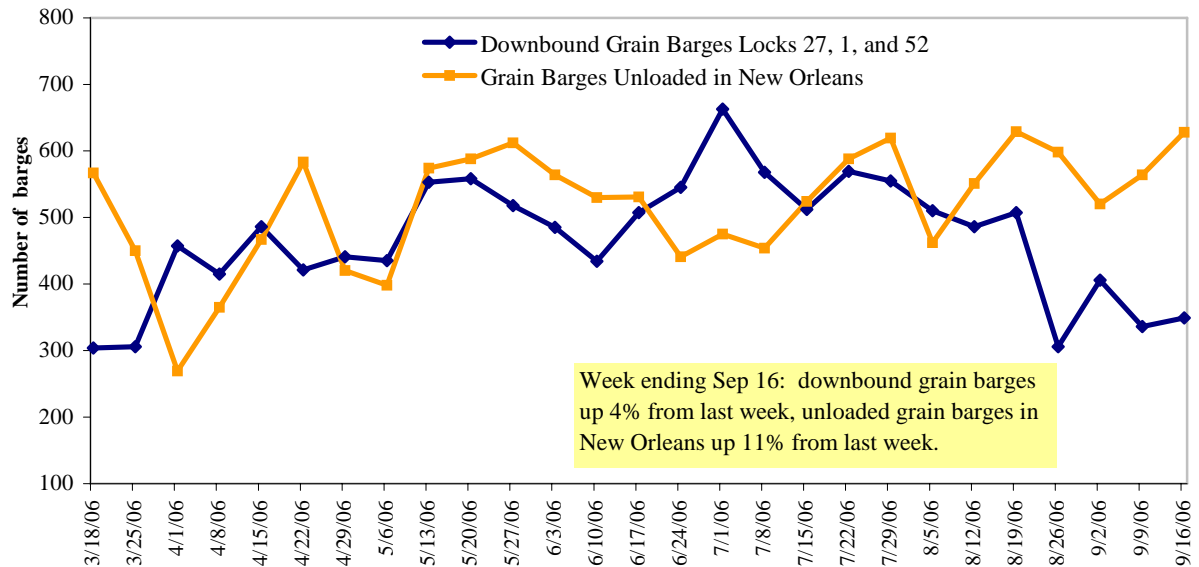
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices¹, Week Ending 9/18/06 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.699	-0.127	-0.050
	New England	2.832	-0.123	0.028
	Central Atlantic	2.844	-0.114	-0.002
	Lower Atlantic	2.625	-0.132	-0.077
II	Midwest ¹	2.624	-0.163	-0.024
III	Gulf Coast ²	2.636	-0.134	-0.041
IV	Rocky Mountain	3.052	-0.184	0.150
V	West Coast	3.014	-0.123	0.029
	California	3.002	-0.123	-0.058
Total	U.S.	2.713	-0.144	-0.019

¹Diesel fuel prices include all taxes.

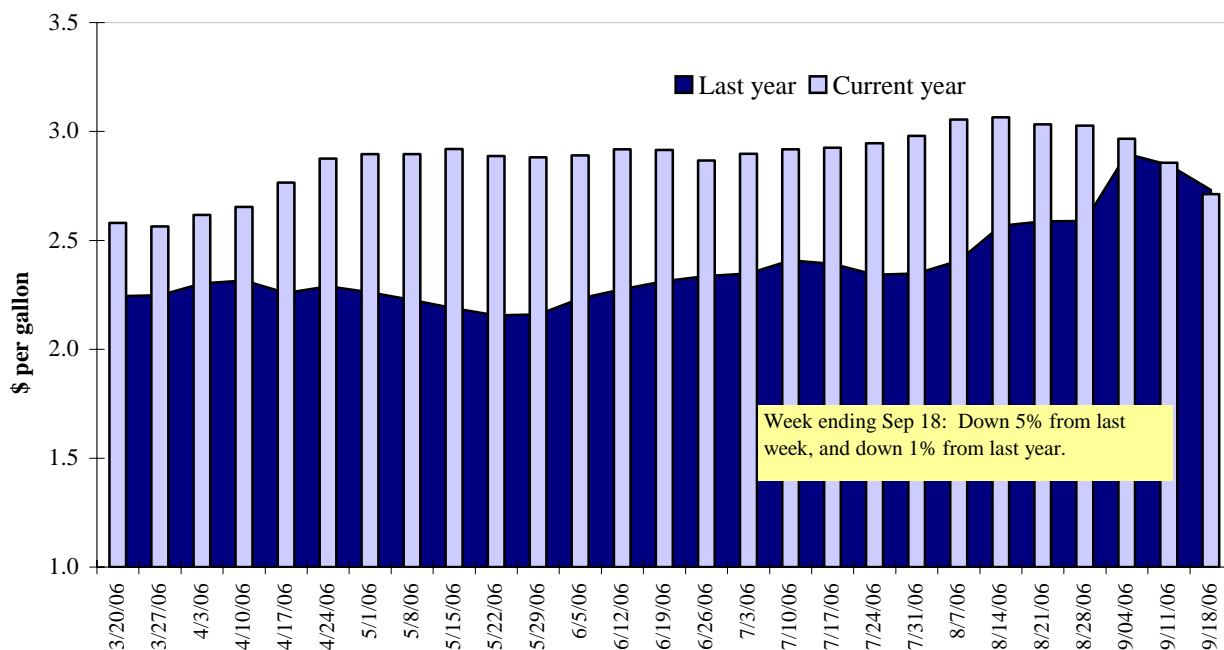
²Same as North Central

³Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Week ending ¹	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
9/7/2006	793	554	991	815	189	3,343	11,501	7,004	21,848
This week year ago	2,559	437	1,321	876	70	5,263	7,986	4,422	17,671
Cumulative exports-crop year²									
2006/07 YTD	1,569	989	1,823	1,250	243	5,874	1,103	212	7,189
2005/06 YTD	2,836	598	2,070	851	256	6,611	436	155	7,202
YTD 2006/07 as % of 2005/06	55	165	88	147	95	89	253	137	100
Last 4 wks as % of same period 2005/06	31	122	82	87	318	64	72	59	66
2005/06 Total	10,459	2,037	7,244	4,159	930	24,828	54,354	25,570	104,752
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948

¹ Current unshipped export sales to date

² Shipped export sales to date, new crop year now in effect for wheat, corn, and soybeans

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers¹ of U.S. Corn

Week ending 09/07/06	Total Commitments ²		% change current CY from last CY	Exports ³ 2005/06
	2006/07 Current CY	2005/06 Last CY		
Crop Year (CY)	- 1,000 mt -			- 1,000 mt -
Japan	4,126	2,533	63	16,474
Mexico	2,026	1,472	38	6,653
Korea	845	586	44	5,573
Taiwan	1,351	781	73	4,951
Egypt	724	791	(9)	4,298
Top 5 importers	9,071	6,163	47	37,949
Total US corn export sales	12,604	8,422	50	
Top 5 importers' share of U.S. corn export sales	72%	73%		
USDA forecast, Sep. 2006	57,150	54,610	5	
Corn Use for Ethanol USDA forecast, Aug. 2006	54,610	40,640	34	

(n) indicates negative number.

¹ Based on FAS 20005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

² Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 09/7/06	Total Commitments²		% change	Exports³
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
China	3,081	802	284	9,706
Mexico	493	662	(25)	3,594
Japan	780	657	19	3,019
Taiwan	381	236	62	1,850
Indonesia	102	147	(30)	1,211
Top 5 importers	4,838	2,504	93	19,381
Total US soybean export sales	7,216	4,576	58	
Top 5 importers' share of U.S. soybean export sales	67%	55%		
USDA forecast, Sep. 2006	30,620	25,700	19	

(n) indicates negative number.

¹Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped).³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week ending 09/07/06	Total Commitments²		% change	Exports³
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,074	1,856	(42)	3,098
Japan	1,274	1,323	(4)	3,061
Mexico	931	1,327	(30)	2,625
Iraq	0	802	(100)	1,237
Philippines	994	723	38	1,878
Egypt	637	648	(2)	1,952
Korea, South	508	496	2	1,191
Venezuela	305	347	(12)	1,085
Taiwan	389	334	17	953
Italy	323	333	(3)	748
Top 10 importers	6,436	8,188	(21)	17,827
Total US wheat export sales	9,217	11,874	(22)	
Top 10 importers' share of U.S. wheat export sales	70%	69%		
USDA forecast, Sep. 2006	24,490	27,460	(11)	

(n) indicates negative number.

¹Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending			2006 YTD as	Last 4-weeks as % of		Total ¹
	09/14/06	2006 YTD ¹	2005 YTD ¹	% of 2005 YTD	2005	3-yr. avg.	2005
Pacific Northwest							
Wheat	220	7,609	7,092	107	91	78	10,801
Corn	105	7,475	7,508	100	76	105	10,130
Soybeans	8	3,230	3,582	90	169	350	6,225
Total	333	18,313	18,182	101	89	100	27,156
Mississippi Gulf							
Wheat	74	2,989	3,595	83	169	55	4,643
Corn	810	25,809	19,140	135	205	146	28,202
Soybeans	227	9,090	9,115	100	239	166	14,793
Total	1,111	37,888	31,850	119	206	130	47,638
Texas Gulf							
Wheat	114	3,978	5,215	76	28	32	7,743
Corn	79	1,744	469	372	205	464	812
Soybeans	0	27	6	470	n/a	n/a	36
Total	193	5,749	5,690	101	54	65	8,591
Great Lakes							
Wheat	49	879	1,250	70	65	42	2,067
Corn	21	1,240	313	397	516	228	796
Soybeans	0	62	27	227	n/a	0	828
Total	69	2,181	1,590	137	132	79	3,691
Atlantic							
Wheat	8	371	217	171	119	165	301
Corn	14	505	68	741	166	318	249
Soybeans	2	327	446	73	4,727	175	801
Total	24	1,202	731	164	173	175	1,352
U.S. total from ports ²							
Wheat	464	15,825	17,370	91	72	57	25,556
Corn	1,029	36,773	27,497	134	162	146	40,189
Soybeans	238	12,736	13,175	97	222	189	22,683
Total	1,731	65,334	58,043	113	130	110	88,428

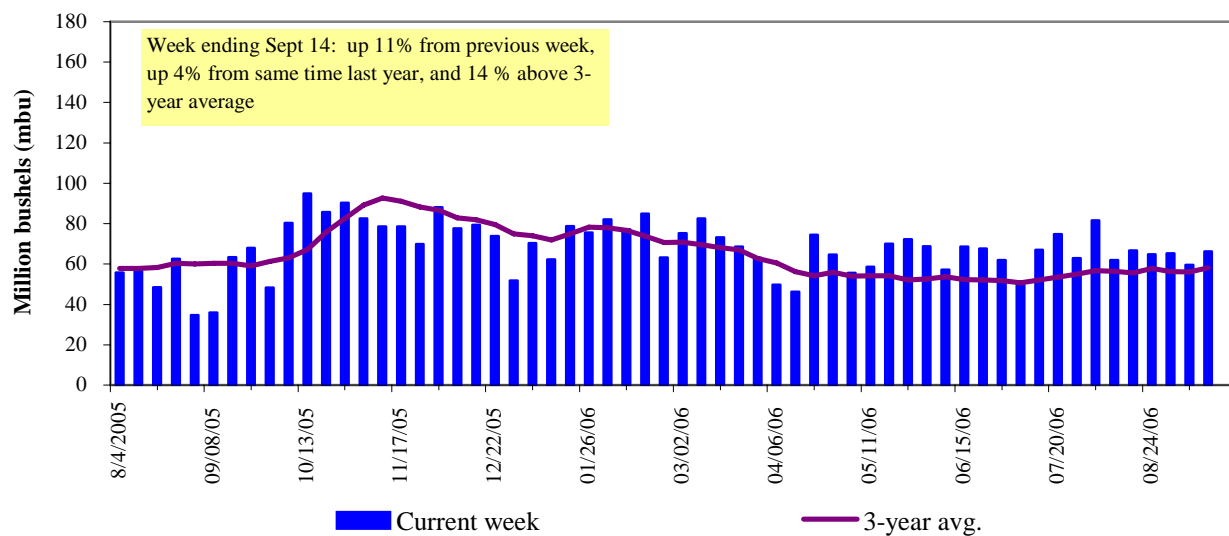
¹ Includes weekly revisions² Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

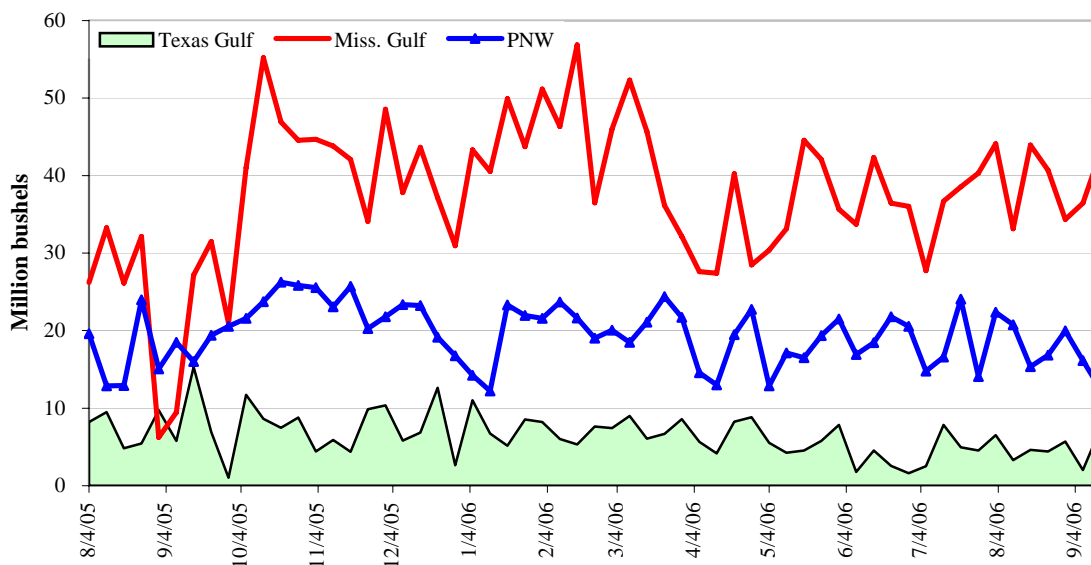


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Sep. 14, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 18	up 259	up 30	down 23
Last year (same week)	up 58	down 52	up 18	down 22
3-yr avg. (4-wk run. avg)	up 45	down 3	up 35	down 24

Ocean Transportation

Table 17

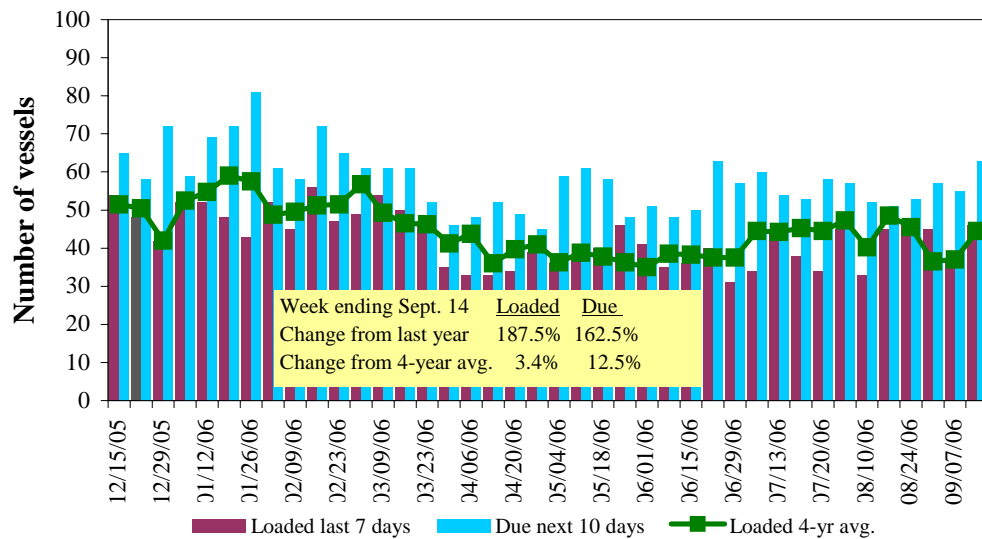
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
9/14/2006	29	46	63	5	6
9/7/2006	27	37	55	8	11
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

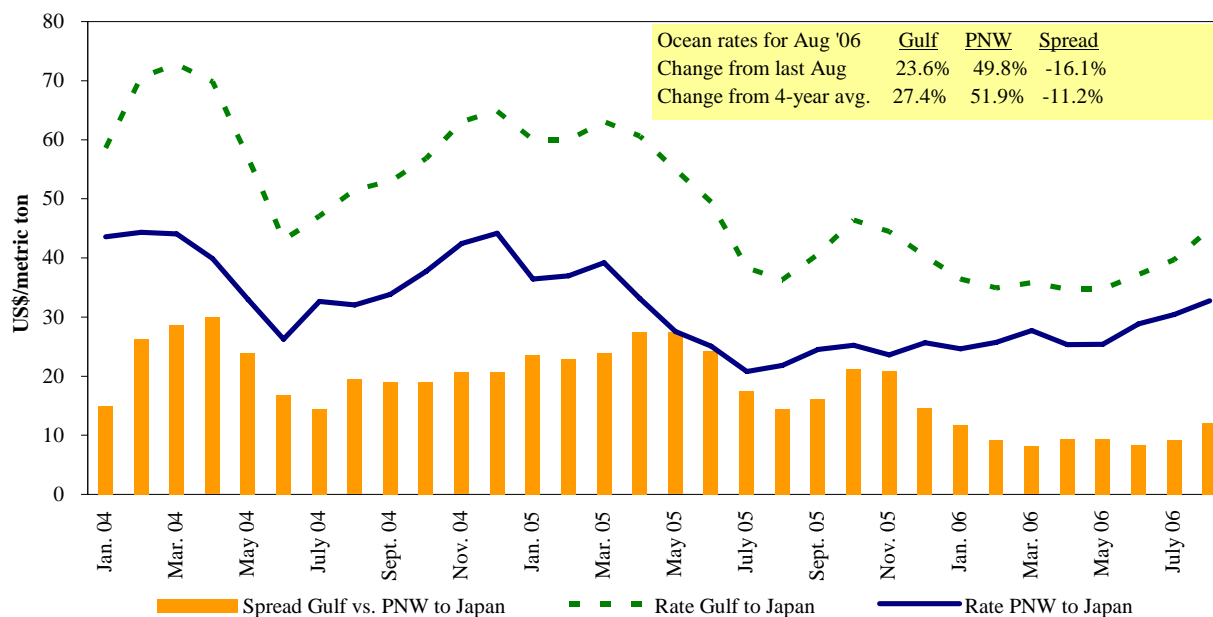
U.S. Gulf¹ Vessel Loading Activity, 2005/06



Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 9/16/06

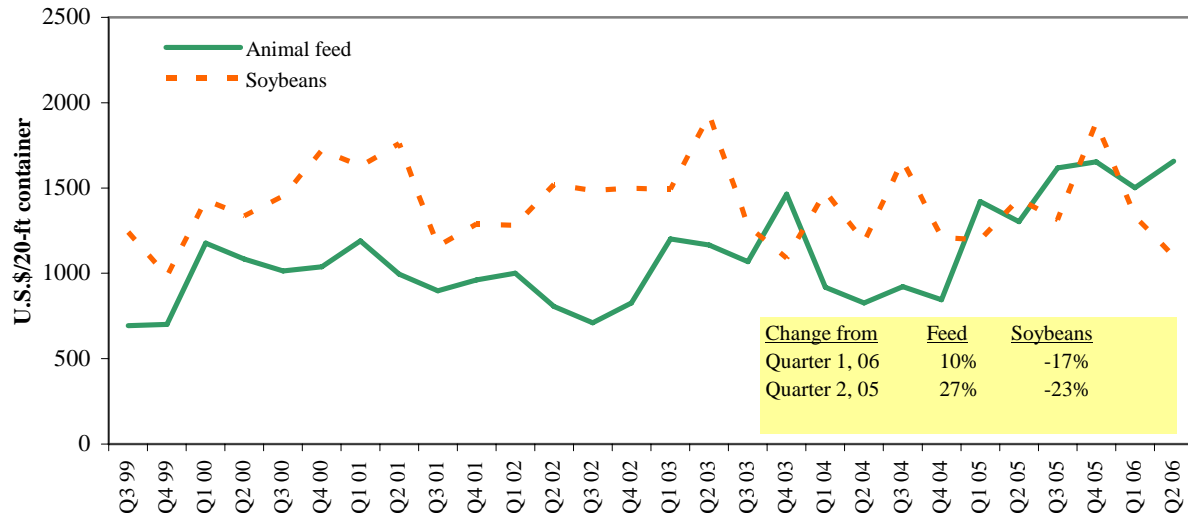
Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
U.S. Gulf	Kenya/Tanzania	Maize	Sept 15/25	4000/ 9000	74.46/ 81.46
Canada	China	Barley	Sept 15/25	50,000	39.75
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
Gt Lakes/St. Lawrence	Jordan ¹	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	July 28/30	25,000	41.50
River Plate	Poland	Hvy Grain	Aug 1/ 10	30,000	44.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

¹75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates¹ for Containerized Shipments to Selected Asian Countries

¹Rates are weighted by shipping line market share and destination country.

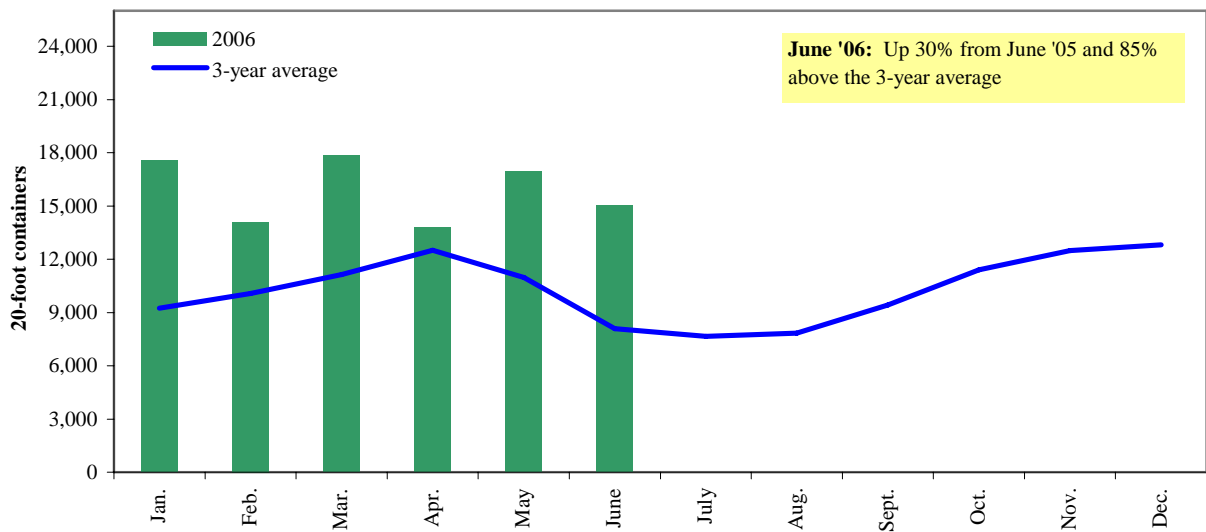
Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)

Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia

Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Specialists

Contact Information

Coordinators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov	(202) 690-1328
Ethel Mitchell	ethel.mitchell@usda.gov	(202) 720-1378
Weekly Highlight Editors		
Anetra Harbor	anetra.harbor@usda.gov	(202) 690-1312
Marina Denicoff	marina.denicoff@usda.gov	(202) 720-8264
Grain Transportation Indicators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov	(202) 690-1328
Rail		
Marvin Prater	marvin.prater@usda.gov	(202) 690-6290
Johnny Hill	johnny.hill@usda.gov	(202) 720-4211
Barge Transportation		
Karl Hacker	karl.hacker@usda.gov	(202) 690-0152
Nicholas Marathon	nick.marathon@usda.gov	(202) 690-0331
Marina Denicoff	marina.denicoff@usda.gov	(202) 720-8264
Truck Transportation		
Karl Hacker	karl.hacker@usda.gov	(202) 690-0152
Grain Exports		
Johnny Hill	johnny.hill@usda.gov	(202) 720-4211
Marina Denicoff	marina.denicoff@usda.gov	(202) 720-8264
Ocean Transportation		
Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	surajudeen.olowolayemo@usda.gov	(202) 690-1328
April Taylor (Container rates)	april.taylor@usda.gov	(202) 690-1326

Subscription Information: Send relevant information to GTRContactUs@USDA.gov for an electronic copy (*printed copies are also available upon request*).

Related Websites

Agricultural Container Indicators	http://www.ams.usda.gov/tmd2/agci/
Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600 (Voice and TDD).

To file a complaint of discrimination, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.